

## Message Text

CONFIDENTIAL POSS DUPE

PAGE 01 SAN JO 04190 012225Z

12

ACTION ARA-06

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 L-01 INR-05 CIAE-00

EB-03 RSC-01 /036 W

----- 080369

R 012135Z NOV 74

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 8490

C O N F I D E N T I A L SAN JOSE 4190

LIMDIS

E.O. 11652: GDS

TAGS: TINT

SUBJECT: ALVAREZ SEEKS MEETING WITH SEC

REF: SAN JOSE 3783

1. ALBERTO INOCENTE ALVAREZ, FORMER CUBAN FOREIGN MINISTER AND COMMERCE MINISTER AND FOR THE PAST 15 YEARS JOSE FIGUERES FRIEND AND SOMETIME BUSINESS ASSOCIATE, INVITED AN EMBOFF TO HIS HOME OCTOBER 31 TO REQUEST AND DISCUSS ARRANGEMENTS FOR A MEETING BETWEEN HIM AND OFFICIALS OF THE SECURITIES AND EXCHANGE COMMISSION. DURING THE COURSE OF MORE THAN THREE HOUR CONVERSATION, IN WHICH ALVAREZ TALKED AND EMBOFF MOSTLY LISTENED, ABOUT VESCO AND MCALPIN IN COSTA RICA WITH MANY FLASHBACKS ABOUT CUBA THAT WENT BACK TO THE 1930S, HE PROVIDED USEFUL AND INTERESTING INSIGHTS INTO THE VESCO ENTANGLEMENT IN THIS COUNTRY. THESE WILL BE INCORPORATED INTO A MEMORANDUM OF CONVERSATION TO BE PROVIDED.

2. ALVAREZ' DESIRE TO MEET WITH THE SEC SEEMS TO REFLECT SEVERAL CONSIDERATIONS. (1) HE IS GENUINELY CONCERNED THAT SOME PHYSICAL HARM WILL RESULT TO HIM OR HIS FAMILY FROM VESCO SOURCES IN CONNECTION WITH ALVAREZ' TENTATIVE PLAN TO BRING A PENAL SUIT AGAINST VESCO IN COSTA RICA. (THIS SUIT WOULD BE BASED UPON VESCO'S ALLEGED FAILURE TO  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 02 SAN JO 04190 012225Z

DELIVER ON A PROMISE TO INVEST \$60 MILLION IN INTER-AMERICAN CAPITAL S.A. ALVAREZ READ PORTIONS OF AN AFFIDAVIT

ATTESTING THAT LEBLANC HAD MADE SUCH A LEGAL COMMITMENT.) (2) ALVAREZ IS SUFFICIENTLY PROUD OF HIS NAME AND PLACE IN HISTORY NOT TO WANT IT TO BE DRAGGED THROUGH THE SCANDAL THAT HE SEES ON THE VERGE OF BREAKING OVER VESCO. (HE SAID VESCO IS ON THE ROPES IN THE 15TH ROUND OF THE FIGHT.) (3) HE SAYS THAT HE CAN COUNT ON LITTLE HELP FROM DON PEPE, FON MIN FACIO OR PRESIDENT ODUBER AS LONG AS THEY BELIEVE THE "ORANGE CAN BE SQUEEZED A LITTLE MORE". (ALVAREZ SAID THAT, KNOWING OF FACIO'S INVOLVEMENT WITH VESCO, HE WAS CONCERNED THAT FACIO MIGHT HAVE SOME OBJECTIONS, BUT THAT FACIO HAD CONCURRED JUST THAT MORNING IN HIS GOING TO THE SEC.)

3. ALVAREZ SAID THAT HE WOULD MAKE AVAILABLE TO THE SEC HIS COMPLETE FILES ON VESCO AND HIS LIEUTENANTS' FINANCIAL INVOLVEMENT IN COSTA RICA AND WOULD SPEND AS MUCH TIME TALKING TO THEM AS THEY DESIRED. THE ONLY THING THAT HE SAID HE WOULD NOT DO, AND HE REPEATED THIS SEVERAL TIMES, WAS TO IMPLICATE PEPE FIGUERES OR SAY ANYTHING THAT WOULD BESMIRCH HIS NAME. HE STRESSED THAT THE SEC SHOULD NOT EXPECT THIS FROM HIM.

4. ALVAREZ IS FLEXIBLE ABOUT THE TIMING OF HIS MEETING WITH THE SEC. HE DISLIKES THE IDEA OF MEETING IN FLORIDA BECAUSE HE SAYS HE WOULD BE OBLIGED TO WORK THROUGH HIS LAWYER THERE WHO HE SAYS GOUGES HIM FOR LEGAL FEES ANY TIME HE DOES ANYTHING FOR HIM. HOWEVER, HE SAID THAT HE WOULD BE IN MIAMI SOMETIME IN DECEMBER TO SELL HIS LA TSA SHARES AND WOULD MEET WITH SEC THERE IF THEY SO DESIRED. HE MUCH PREFERS A THIRD COUNTRY LIKE PANAMA (HIS FIRST PREFERENCE WAS THAT THE SEC OFFICIALS COME TO COSTA RICA, BUT RECOGNIZED THE LOGIC OF THE ARGUMENT AGAINST THIS) AND WILL BE WILLING TO TRAVEL THERE FOR A MEETING WHENEVER IT COULD BE ARRANGED.

5. COMMENT: PERHAPS A MEETING IN SAN JUAN WOULD MEET ALVAREZ' PREFERENCES WHILE STILL HAVING ADVANTAGE OF BEING ON U.S. SOIL (THIS VENUE WAS NOT DISCUSSED WITH HIM). EMBASSY ASSUMES THAT THERE IS NO WARRANT OF  
CONFIDENTIAL  
CONFIDENTIAL

PAGE 03 SAN JO 04190 012225Z

ARREST PENDING AGAINST ALVAREZ IN U.S. ON THE OTHER HAND, ALVAREZ IS CONCERNED ABOUT PERSONAL FINANCIAL COSTS INVOLVED IN GETTING TO THE MEETING AND WANTS THEM TO BE MINIMIZED. IF THE SEC WANTS TO MEET WITH ALVAREZ EARLIER RATHER THAN LATER, EMBASSY RECOMMENDS THAT THE PLACE BE PANAMA. IF A DECEMBER MEETING IS SATISFACTORY THEN WE MIGHT PROPOSE SAN JUAN IN ORDER TO AVOID THE PROBLEM ALVAREZ APPARENTLY HAS WITH HIS OWN LAWYER. ALVAREZ SHOULD HAVE A SPANISH INTERPRETER AND WE HOPE ANY MEETING WITH HIM WILL INCLUDE PARTICIPATION OF LAZAR OR

SULLIVAN.  
LANE

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENTS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 NOV 1974  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** smithrj  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SANJO04190  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740313-0943  
**From:** SAN JOSE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741179/aaaacoxr.tel  
**Line Count:** 117  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** LIMDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** LIMDIS  
**Reference:** SAN JOSE 3783  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** smithrj  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 11 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <11 SEP 2002 by martinml>; APPROVED <07 MAR 2003 by smithrj>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ALVAREZ SEEKS MEETING WITH SEC  
**TAGS:** PINS, CS, CU, SEC, (ALVAREZ, ALBERTO INOCENTE), (VESCO, ROBERT)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005